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HART SCHAFFNER & MARX



Fifteenth Annual Report
November 30, 1925

HART SCHAFFNER & MARX
CHICAGO NEW YORK

New York, January 26, 1926

To the Stockholders

The Board of Directors herewith submit to you the financial statement of the company for the fiscal year ending November 30, 1925, together with the report of Messrs. Price, Waterhouse and Company

While operations in the clothing industry were on a conservative basis during the year, the company has been able to maintain a satisfactory position, and earnings for the year are not greatly under those of a year ago. Bookings for goods for spring delivery show a substantial increase and prospects for 1926 are good

Inventories are higher due to the introduction of lines that broaden our market but necessitate more advanced purchases, at the same time prolonging the manufacturing season. This program effects desired economies and is in line with the current demand for strong values

Collections have been satisfactory. Credit losses were less than last year

At the present time, the company has no indebtedness for borrowed money, bank loans shown in the statement having been paid in full December 21, 1925

Purchases and renewal of equipment during the year were only slightly more than total depreciation and that item of fixed assets stands at practically the same figure as a year ago.

Respectfully submitted

HARRY HART, President

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BALANCE SHEET—

Assets

Current Assets

Cash and U. S. Treasury Certificates	\$3,856,228.22	
Accounts, and bills receivable, less reserves	5,885,095.09	
Inventories of materials and finished and partly finished merchandise on hand and in transit, at cost or market, whichever is lower, less reserve	5,295,770.10	
Sundry accounts	77,280.84	
Prepaid insurance, taxes, etc.	<u>69,102.46</u>	\$15,183,476.71

Investments		683,000.00
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Amounts due from employees for purchase of Company's capital stock		280,917.24
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Shop Equipment and Fixtures, including Office Furniture	\$1,366,309.56	
Less—Depreciation Reserve	<u>831,190.96</u>	535,118.60

Good Will, Trade Names and Trade Marks	\$15,000,000.00	
Less—Amount written off in 1920	<u>5,000,000.00</u>	10,000,000.00
		<u>\$26,682,512.55</u>

NOVEMBER 30, 1925

Liabilities

Current Liabilities

*Bills payable—Bankers Loans	\$1,000,000.00	
Trade accounts payable	151,786.11	
Liability for goods in transit	153,719.08	
Accrued pay rolls, etc.	324,444.49	
Federal and other taxes payable in 1926	<u>351,975.26</u>	\$1,981,924.94

Capital Stock

Common Stock—	
Authorized and issued	
150,000 shares of \$100.00 each	15,000,000.00

Reserve for contingencies	1,750,000.00
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Surplus, per accompanying statement	<u>7,950,587.61</u>
	<u>\$26,682,512.55</u>

*Fully paid by Dec. 21, 1925

SURPLUS AND INCOME ACCOUNT

FOR THE FISCAL YEAR ENDING NOVEMBER 30, 1925

Net Profits for Year

After deducting manufacturing, marketing
and administrative expenses, provisions
for depreciation of equipment, doubtful
accounts and federal taxes

\$1,854,446.62

Add —

Surplus at Dec. 1, 1924

6,996,140.99

\$8,850,587.61

Deduct—

Dividends paid on Common stock—6%

900,000.00

Unappropriated Surplus

At November 30, 1925

\$7,950,587.61

Certificate of Accountants

To the Stockholders of
Hart Schaffner & Marx

We have examined the books and accounts of Hart Schaffner & Marx for the fiscal year ending November 30, 1925, and certify that the foregoing Balance Sheet and Surplus and Income Account are correctly drawn up therefrom

The merchandise and materials on hand and in transit, as shown by inventories certified by the responsible officials, are stated in the balance sheet at cost or market, whichever is lower, less reserve. Liberal provisions have been made for bad and doubtful accounts receivable, discounts and for all ascertained liabilities. The cash and bank balances have been verified by actual count or by certificates from depositaries

WE CERTIFY that the Balance Sheet and relative Surplus and Income Account are properly drawn up and, in our opinion, show the true financial position of the Company on November 30, 1925

PRICE, WATERHOUSE & CO.

Chicago, January 15, 1926

